

Message Text

SECRET

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 127129

R 221642Z DEC 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5273

INFO AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION IAEA VIENNA

USMISSION USBERLIN

AMCONSUL BOMBAY

S E C R E T SECTION 01 OF 02 BONN 20633

EXDIS

E.O. 11652: GDS

TAGS: EMAE, ETRD, PARM, TECH, FR, GW, IN, UK, WB

SUBJECT: EXPORT OF HEAVY WATER EQUIPMENT TO INDIA

REFS: A. BONN 20433; B. STATE 297403; C. STATE 299340;
D. STATE 297440; E. BONN 20507 (NOTAL); F. NEW DELHI
16607; G. STATE 297934; H. OTTAWA 4739; I. STATE
298485; J. STATE 300199; K. NEW DELHI 16958.

1. BEGIN SUMMARY: EMBASSY APPRECIATES REFTELS WHICH GREATLY ASSISTED OUR CONTINUING CONSULTATIONS WITH FRG. FOLLOWING STATUS REPORT INDICATES THAT FONOFF OFFICIALS ARE TAKING INCREASINGLY POSITIVE VIEW TOWARD US REQUEST, BUT BELIEVE THAT NUCLEAR SUPPLIERS' GROUP (NSG) MUST ALSO ATTEMPT TO DEFINE CRITERIA MORE PRECISELY. TECHMIN AND ECONMIN CONTINUE EFFORTS TO ASSEMBLE TECHNICAL DATA WHICH WILL DEMONSTRATE THAT BORSIG COMPRESSORS FOR INDIA HEAVY WATER PLANT ARE STANDARD ITEMS. FONOFF OFFICIALS THINK IT POSSIBLE THAT CABINET DECISION WILL BE REQUIRED TO RESOLVE

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QUESTION. END SUMMARY.

2. DRAWING ON APPROPRIATE PARTS OF REFTELS, PARTICULARLY REF I, EMBOFFS REVIEWED SITUATION WITH DR. ROUGET FRG FONOFFICE, TO STRENGTHEN HIS HAND IN DEALING WITH OTHER MINISTRIES. ROUGET WAS PARTICULARLY IMPRESSED WITH CHRONOLOGICAL HISTORY OF TRANSACTION AND BY FACT THAT CANADA HAD CANCELLED EXPORT LICENSE FOR SIMILAR COMPRESSORS. ROUGET REPORTED THAT FONOFF HAD SOUGHT VIEWS OF CANADA, THROUGH CANADIAN EMBASSY IN BONN, BUT HE HAD NOT YET RECEIVED FULL REPORT. FONOFF REPS UNDERSTOOD, HOWEVER, THAT CANADIAN COMPANY WAS SUING GOVERNMENT OF CANADA AND PROFESSED FEAR OF SUIT BY BORSIG. WE DID NOT RPT NOT PASS SUBSTANCE REF H TO FRG REPS BUT DID MENTION THAT USG KNEW OF FRG APPROACH TO GOC. WE ACKNOWLEDGED THAT ALLIS-CHALMERS WAS SUING GOC BUT EXPRESSED CONFIDENCE THAT GOC SHARED USG VIEWS AND WOULD STAND FAST.

3. ROUGET BELIEVED THAT THE POLITICAL FACTORS IN THE PRESENT CASE WERE THE MOST SIGNIFICANT. THE NEGATIVE DECISIONS BY THE USG AND THE GOC COULD NOT RPT NOT BE OVERLOOKED. IT WOULD BE NECESSARY TO CONVINCE THE TECHNOLOGY AND ECONOMIC MINISTRIES, WHICH WOULD NOT RPT NOT BE EASY. ROUGET CONTINUES TO FORESEE A NEED FOR RENEWED NSG DISCUSSION OF THIS TRIGGER LIST TERMINOLOGY. THE DECISION REACHED IN THE BORSIG CASE SHOULD NOT RPT NOT PREJUDGE ANY NECESSARY REDEFINITIONS OF TRIGGER LIST ITEMS AND INTERPRETATION OF NPT LANGUAGE IN ARTICLE III. 2.B.

4. EMBOFFS EMPHASIZED THAT USG HAS NO COMMERCIAL

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----- 127084

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FM AMEMBASSY BONN

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INFO AMEMBASSY LONDON
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AMEMBASSY OTTAWA
AMEMBASSY PARIS
USMISSION IAEA VIENNA
USMISSION USBERLIN
AMCONSUL BOMBAY

S E C R E T SECTION 02 OF 02 BONN 20633

EXDIS

INTEREST IN THIS CASE AND NO DESIRE TO SEE THE BASIC CONCEPTS OF THE NUCLEAR SUPPLIERS' CONSENSUS WEAKENED BY ACCUSATIONS THAT A GERMAN REQUEST FOR ASSURANCES FROM INDIA WAS MOTIVATED BY THE INTERVENTION OF ANY SPECIFIC COUNTRY. WE FRANKLY TOLD ROUGET THAT THE USG WOULD EXPECT FRG TO PRESENT ITS REQUEST FOR ASSURANCES FROM INDIA AS THE POLICY OF THE FRG CONSISTENT WITH POLICIES OF OTHER SUPPLIERS. ROUGET AGREED. IF THE FRG FINDS ITSELF ABLE TO ACCEPT THIS US POSITION, IT WILL ACT IN ITS OWN NATIONAL CAPACITY. HE BELIEVED THAT IT MIGHT TAKE A CABINET DECISION TO RESOLVE THE DIFFERENT VIEWPOINTS AMONG THE MINISTRIES INVOLVED.

5. EMBASSY COMMENT: WE DO NOT RPT NOT BELIEVE THAT FRG WOULD OPENLY CHARACTERIZE ITS ACTION VIS-A-VIS INDIA AS THE RESULTS OF US PRESSURE. HOWEVER, WITH SEVERAL MINISTRIES INVOLVED AND A POSSIBLE, POTENTIALLY CONTROVERSIAL FRG CABINET DEBATE AHEAD, THE USG CANNOT RPT NOT BE CONFIDENT THAT OUR ROLE IN URGING ACTION WILL REMAIN CONFIDENTIAL. FONOFF REPS ARE NOT IN DIRECT CONTACT WITH BORSIG AND ARE NOT AWARE OF THE
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NATURE OF THE CONTACTS BETWEEN THE COMPANY AND THE GOI. THE EMBASSY DEFERS TO USBERLIN FOR COMMENT ABOUT POSSIBILITY THAT INDIA IS ALREADY AWARE OF US ACTION TO DELAY ALLIED KOMMANDATURA CONSIDERATION OF BORSIG EXPORT LICENSE APPLICATION.
HILLENBRAND

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To: STATE
Type: TE
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